

Message Text

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ORIGIN OES-06

INFO OCT-01 EA-07 IO-13 ISO-00 PM-04 ACDA-07 SS-15
L-03 FEA-01 CIAE-00 INR-07 NSAE-00 NSC-05 EB-08
NRC-05 DODE-00 ERDA-05 /087 R

DRAFTED BY OES/NET/IM: W A MOFFITT:BJB

APPROVED BY OES/NET/IM: D B HOYLE

ACDA: R WILLIAMSON (DRAFT)

PM/NPO: J MCGUINNESS (DRAFT)

EA/IMS: D KENNEY (DRAFT)

T: E MCGAFFIGAN (DRAFT)

S/S:AWOTTO

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FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA PRIORITY

INFO USMISSION IAEA VIENNA

C O N F I D E N T I A L STATE 088510

E.O. 11652: GDS

TAGS: TECH, ID

SUBJECT: GOI REPORTEDLY FEARS U.S. EMBARGO ON SALE OF
NUCLEAR MATERIALS

REFERENCE: JAKARTA 4523

1. DEPARTMENT HAS CONTACTED GENERAL ATOMIC REGARDING INFO
CONTAINED PARA ONE REFTEL. GA INDICATED THAT THEY ARE CUR-
RENTLY IN RUNNING, ALONG WITH FRENCH FIRM TECHNICATOM, FOR
BID TO UNDERTAKE STUDY OF INDONESIAN ATOMIC ENERGY AGENCY
(BATAN) FUTURE RESEARCH REQUIREMENTS. GA BELIEVES THAT
STUDY COULD ULTIMATELY LEAD TO GOI DECISION TO PURCHASE
LARGER RESEARCH REACTOR, AND PRESUMABLY FIRM WITH STUDY
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CONTRACT WOULD HAVE INSIDE TRACK ON BIDDING FOR REACTOR
SALES CONTRACT.

2. YOU MAY REASSURE DIRECTOR GENERAL (BATAN) AND ANY
OTHER CONCERNED GOI OFFICIALS THAT THE US HAS NO INTENTION
OF PLACING AN EMBARGO ON THE EXPORT OF NUCLEAR TECHNOLOGY
AND MATERIALS. ON THE CONTRARY, WE HAVE LONG RECOGNIZED

THE BENEFICIAL ASPECTS OF NUCLEAR ENERGY AND HAVE BEEN IN THE FOREFRONT OF INTERNATIONAL COOPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY FOR MORE THAN 20 YEARS. THE ONLY

CAVEAT TO THIS POLICY IS THAT SUCH COOPERATION MUST BE CONSISTENT WITH OUR POLICY OF NOT CONTRIBUTING TO THE SPREAD OF NUCLEAR WEAPONS.

3. INDONESIA'S SIGNING OF THE NPT AND COOPERATION WITH THE US IN THE PEACEFUL USES OF THE ATOM SINCE 1960 ARE INDICATIONS OF GOI COMMITMENT TO NONPROLIFERATION. WE ARE ENCOURAGED BY RECENT GOI CONSIDERATION OF PROCEEDING WITH NPT RATIFICATION AND HOPE THAT FAVORABLE ACTION WILL TAKE PLACE FOLLOWING THE MAY ELECTIONS. IN LIGHT OF THE INCREASING EMPHASIS THE US IS PLACING ON THE NPT, OR AT LEAST COMMITMENT TO IAEA SAFEGUARDS ON ALL NUCLEAR MATERIALS AND FACILITIES SUCH ACTION WOULD GREATLY FACILITATE AN EXPANSION OF FUTURE NUCLEAR COOPERATION WITH THE US. BEGIN FYI. NPT ADHERENCE IS LIKELY TO BE INDISPENSABLE TO EXPANDED COOPERATION BETWEEN US-GOI. SEE PARA 5. HOWEVER GOI NPT RATIFICATION IS MORE LIKELY TO TAKE PLACE NATURALLY AS A RESULT OF CHANGING GOI PERCEPTIONS THAT AS A RESULT OF US PRESSURE ASSOCIATED WITH EXPANDED COOPERATION IN THE NEAR TERM. IT IS, ACCORDINGLY, US POLICY NOT TO FORCE THE ISSUE AT THIS TIME. END FYI.

4. THE PRINCIPAL NONPROLIFERATION CONSIDERATION RAISED BY REFTEL REPORT IS THAT SOME GA REACTORS UTILIZE HIGHLY ENRICHED URANIUM (HEU) WHICH POSES A SPECIAL RISK AS IT IS CONFIDENTIAL

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READILY USABLE IN NUCLEAR WEAPONS IF SEIZED BY IRRESPONSIBLE GOVERNMENTS OR SUB-NATIONAL GROUPS. AS A CONSEQUENCE OF CURRENT REVIEW OF US NONPROLIFERATION POLICY DIRECTED BY THE PRESIDENT, IT HAS BEEN DECIDED THAT LICENSES TO EXPORT US REACTORS UTILIZING HEU FUEL WILL BE APPROVED IN THE FUTURE ONLY UNDER EXCEPTIONAL CIRCUMSTANCES. FURTHERMORE, FOREIGN VENDORS OF RESEARCH AND TEST REACTORS WHICH ARE DEPENDENT ON US-SUPPLIED HEU FUEL, AND THIS IS VIRTUALLY ALL SUCH REACTOR SUPPLIERS INCLUDING FRANCE, WILL BE ADVISED THAT US DENIAL OF HEU FUEL FOR SUCH NEW FACILITIES SHOULD NORMALLY BE EXPECTED IN THE FUTURE. THE US IS CONFIDENT GOI RECOGNIZES THE SERIOUS PROBLEMS ASSOCIATED WITH THE PROLIFERATION OF HEU IN INTERNATIONAL COMMERCE, PARTICULARLY THE POSSIBILITY OF TERRORIST SEIZURE. GOI MAY WANT TO CONSIDER SUGGESTING TO GA THAT THEIR FEASIBILITY STUDY BE LIMITED TO REACTORS OPERATING ON FUEL OF LESS THAN 20 PERCENT U-235. BEGIN FYI. WHEN QUERIED ABOUT TECHNICATOM'S CLAIM THAT THEY ARE DEVELOPING A MATERIAL TESTING REACTOR WHICH WILL OPERATE ON FUEL OF

LESS THAN 20 PERCENT U-235 ENRICHMENT, GA INDICATED THAT THEY TOO ARE STUDYING POSSIBILITY OF REDUCING U-235 CONTENT OF THEIR OWN FUEL WHILE ACHIEVING SAME REACTOR PERFORMANCE LEVELS, BUT HAVE NOT YET MADE FINAL DETERMINATION OF FEASIBILITY. END FYI.

5. THE CURRENT POLICY REVIEW ALSO CALLS FOR A RENEGOTIATION OF EXISTING AGREEMENTS FOR COOPERATION. THE US WILL LOOK FORWARD TO SUCH DISCUSSIONS WITH GOI IN A SPIRIT OF MUTUAL COOPERATION. SUCH A REVISION OF OUR EXISTING AGREEMENT WOULD HAVE BEEN LIKELY IN ANY EVENT AS WE EXPAND OUR COOPERATION IN THE NUCLEAR FIELD.

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Message Attributes

Automatic Decaptoning: X
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Current Classification: UNCLASSIFIED
Concepts: SALES, EMBARGOES, FISSIONABLE MATERIALS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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